

IN THE SENATE OF THE UNITED STATES.

APRIL 3, 1860.—Ordered to be printed.

Mr. POLK made the following

REPORT.

[To accompany bill S. 368.]

The Committee on Foreign Relations, to whom was referred the claim of the legal representatives of John Forsyth, deceased, having maturely considered the same, beg leave to report:

That they fully concur in the report made by the said Committee on Foreign Relations to the Senate of the United States at the first session of the Thirty-fifth Congress, and adopt the same as their report on said claim to the Senate at this present Congress:

IN THE SENATE OF THE UNITED STATES, MAY 20, 1858.

The Committee on Foreign Relations, to whom was referred the claim of the legal representatives of John Forsyth, having maturely considered the same, beg leave to report:

That the late John Forsyth was appointed minister of the United States to the court of Spain on the 16th of February, 1819, and served in that capacity from the 18th February, 1819, the day he entered upon the duties of the office, until the 3d March, 1823, the day it terminated, embracing a period of four years and sixteen days. He was allowed the usual outfit, equal to one year's salary, and his infit, equal to one quarter's salary; also the sum of \$4,313 69 for his contingent expenses during the period of his mission.

Thus stated:

For amount of outfit.....	\$9,000 00
For salary, four years and sixteen days, at \$9,000.....	36,350 00
For contingent expenses, allowed in the adjustment of his accounts	4,313 69
For infit, equal to one quarter's salary.....	2,250 00
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	51,913 69

To which is to be added the following items, which entered into his accounts, and which were allowed to him, viz:

Amount paid F. C. Fentwick.....	\$200 00	
Amount paid for destitute seamen.....	1,319 45	
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		\$1,579 45
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		53,493 14
By warrant in favor of treasurer.....		194 52
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		53,687 66

To liquidate the above, the following payments were made to him, viz :

To warrants, per Register's certificate.....	\$18,309 00	
To drafts on Baring Brothers & Co., from 10th September, 1819, to 8th April, 1823, £6,495 4s. 7d., at par, is.....	28,867 67	
To amount allowed Thomas L. Brent, as acting chargé d'affaires, during the absence of Mr. Forsyth.....	1,813 86	
To warrant on the Treasurer.....	3,289 82	
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		52,280 35
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Balance due Mr. Forsyth.....	1,407 31	
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This balance of \$1,407 31 was charged to Mr. Forsyth, in the adjustment of his accounts, as *gain and exchange* on the drafts drawn by him on the London bankers, viz :

On £2,025 1s. 3d., per report No. 991,	\$882 18
On £1,690 9s. 1d., per report No. 1203,	389 44
On £2,779 13s. 5d., per report No. 1332,	135 67
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	1,407 29
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The salary of Mr. Forsyth was due and payable to him at Madrid, his place of residence in Spain. The United States deposited money with Baring Brothers, of London, their bankers, which was to be drawn on by Mr. Forsyth, in payment of his salary. Accordingly the committee find that the amount as above stated was drawn for by Mr. Forsyth upon Baring Brothers, of London, and that instead of gaining by this sale, Mr. Forsyth actually incurred losses.

In selling his drafts, the pounds sterling English currency, in the hands of Baring Brothers, were first converted into pesos of Spanish currency, or into francs, of French currency, and then, in stating his accounts by the United States accounting officers, these pesos and francs are changed into the dollars and cents of the currency of the United States.

The committee find that whilst Mr. Forsyth was minister at Madrid, the Spanish peso was worth only 36 pence of English currency, and only 66 $\frac{2}{3}$ cents of United States currency. But in making up the ac-

counts of Mr. Forsyth at the United States Treasury Department, the Spanish peso is charged to Mr. Forsyth as being worth $40\frac{1}{2}$ pence of English currency, and 75 cents of the currency of the United States. It was by thus erroneously estimating the peso at 75 cents of United States currency, instead of $66\frac{2}{3}$ cents, its true value, that a seeming gain was shown to have been made by Mr. Forsyth in the sale of his drafts on London; whereas, in point of fact, he incurred an actual loss, as is shown by estimating the peso at its true value in American currency, which is $66\frac{2}{3}$ cents.

That the Spanish peso was estimated at 75 cents of the currency of the United States, in making up Mr. Forsyth's account at the Treasury Department, a simple arithmetical calculation will at once demonstrate. The process is simply to take the number of pesos realized by the sale of each one of his drafts and multiply the same by 75 cents.

So also, in like manner, an arithmetical calculation demonstrates the value of the peso of Spanish currency to be 36 pence of English currency, as thus:

According to Kelly's Cambist, published in London, in 1821, which is to be found in the State Department, and which is considered to be of unquestionable authority, the English sovereign, or pound sterling, contains 113.01 grains of pure gold; and the quadruple pistole of 1801, or doubloon, contains 360.05 grains. (See Kelly's Cambist, vol. 2, page 158.) Then we have this proportion: As 113, the number of grains in one pound sterling, are to 240, the number of pence in one pound, so are 360, the number of grains in one doubloon, to 765 pence. Thus showing the doubloon to be equal to 765 pence of English currency.

But the doubloon is equal to 16 hard dollars of 20 reals vellon; or, in other words, to 320 reals. (1 Kelly, 317, and 2 Kelly, 88.) And the real contains 34 maravedis. (1 Kelly, 316.) And the dollar of exchange, in Spain, contains 15 reals and 2 maravedis vellon, or 512 maravedis.—(See 1 Kelly, page 317.)

We then state this proportion: As 320 reals, or (320×34) 10,880 maravedis, the number in the doubloon, are to 785, the number of pence in a doubloon, so are 15 reals, and 2 maravedis vellon, or 512 maravedis, the number in the dollar of exchange, to 36 pence. Thus the Spanish peso is demonstrated to be equal to 36 pence English currency.

And that 36 pence, English currency, are equal to $66\frac{2}{3}$ cents of our currency, is demonstrated by the following proportion: As 240, the number of pence in the pound sterling, are to 444 cents, the value of the pound sterling in our currency, so are 36 pence to 66.6 cents.

A few of his drafts, the committee find, were sold by Mr. Forsyth for francs of French currency instead of pesos; and as in the case of the peso, so in case of the franc, the latter, in stating his account at the Department of the Treasury, was estimated to him at too high a value, or, what is the same thing, the pound sterling was estimated to him as being worth only 25.05 francs, instead of 25.25 francs, its true value. An examination of the accounts and vouchers will show at what value in francs the pound sterling was estimated to Mr. Forsyth. And what the true value of the pound sterling is in francs is shown thus: The

40 francs coin of France contains 179 grains of pure gold. (See 2 Kelly's Cambist, p. 158.) Of course, one franc contains (179 divided by 40, or) 4.475 grains.

We have already seen that the pound sterling contains 113 grains. And to ascertain how many francs there are in one pound sterling, we have only to divide 113 by 4.475. The process gives us $(113 \div 4.475)$ 25.25.

Your committee have procured from the Treasury Department a statement showing all the drafts drawn by Mr. Forsyth upon London, and also the amount of gain charged against him upon the same, in making up his accounts, by the accounting officer of the treasury. They have also procured copies of the vouchers furnished the department by Mr. Forsyth, showing the rates at which he sold these several drafts respectively, whether sold for pesos or francs. And they have caused elaborate and accurate calculations of the losses and gains which were in fact really incurred or realized upon the sale of each one of them to be made. And they find, that instead of realizing gains upon the sale of each one of them, Mr. Forsyth actually sustained loss upon the sale of all of them except two; and that the aggregate of his losses amounted to \$760 81, while the aggregate of his gains was but \$28 04, showing an excess of loss over gain of \$732 77. Whereas, in the account made up with him at the Treasury Department, he is charged with the sum of \$1,407 29 as gain upon the sale of his drafts on London. It follows, therefore, that he stands charged, in the account made up with him at the department, with \$2,140 06 more than he ought to have been charged with. In other words, upon the final settlement of his account, the United States was really indebted to Mr. Forsyth in the last-named sum, which the committee think ought to be refunded to his legal representatives, and they report a bill accordingly.

Your committee also submit herewith their calculations named above.